

# MAINE STATE LEGISLATURE

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# ONE HUNDRED AND SIXTH LEGISLATURE

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**Legislative Document**

**No. 630**

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H. P. 479

House of Representatives, February 1, 1973

Referred to Committee on Public Utilities. Sent up for concurrence and ordered printed.

E. LOUISE LINCOLN, Clerk

Presented by Mrs. White of Guilford.

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## STATE OF MAINE

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IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-THREE

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### **AN ACT Creating the Monson Utilities District.**

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Be it enacted by the People of the State of Maine, as follows:

**Sec. 1. Monson Utilities District incorporated.** The inhabitants of and territory within the Town of Monson are hereby created a body politic and corporate under the name of "Monson Utilities District" for the purposes and with the powers hereinafter set forth. The purposes of said district shall be

1. To take over, control, manage and operate the water system now owned by the Town of Monson with all appurtenances thereof and thereto, to extend, increase, enlarge and improve the same, to rebuild the same either in whole or in part, and to supply the Town of Monson and the inhabitants of said town, or any part of said town, with pure water for domestic, commercial, sanitary and municipal purposes, including the extinguishment of fires;

2. To take over, control, manage and operate the drains and sewers now owned by the Town of Monson, with all appurtenances thereof and thereto; to extend, increase, enlarge and improve said drains and sewers; to extend the present system or systems and to rebuild the same in whole or in part, so as to furnish sewerage facilities to portions of the town both now served and not now served with such facilities; to provide for surface drainage as well as removal of sewage and to provide for treatment of sewage in whole or in part before discharging the same into rivers or streams when, as and if such treatment becomes necessary or advisable; and

3. Generally to supply the inhabitants of said district with pure water for domestic, sanitary, manufacturing and municipal purposes and further to

provide and operate a system or systems of sewerage and storm water drainage for public purposes and for the health, comfort and convenience of the inhabitants of said district.

**Sec. 2. Authority to acquire and hold property; right of eminent domain conferred.** Upon acceptance of this Act as hereinafter provided, title to the entire water system and all appurtenances thereof and thereto and all other facilities and property used by said town for the purpose of supplying water in the Town of Monson shall pass to and vest in said district, and said district shall maintain and operate the same. Upon acceptance of this Act as hereinafter provided, title to all public drains and sewers in the Town of Monson shall pass to and vest in said district, and said district shall maintain and operate the same.

For the purpose of providing a water system for the supplying of water as aforesaid, and for the purpose of providing a system of sewers, drains and drainage for the comfort, convenience and health of the inhabitants of said district, the said district is hereby authorized and empowered to acquire and hold real estate, easements and personal property necessary and convenient for the purposes aforesaid, subject to all duties and obligations of the Town of Monson with respect thereto, which duties and obligations are to be assumed by said district. The district is hereby authorized to take and hold by purchase, lease, gift, eminent domain, as hereinafter provided, or otherwise, any land or interest therein, or water or water rights necessary for an adequate supply of pure water and for pumping its water supply through its mains, for reservoirs, for preserving the purity of the water and watershed, for laying and maintaining aqueducts and other structures for taking, distributing, discharging and disposing of water and for rights-of-way or roadways to its sources of supply, reservoirs, mains, aqueducts, structures and lands, and also all things necessary for supplying water as aforesaid. The said district is hereby further authorized to take and hold by purchase, lease, gift, eminent domain, as hereinafter provided, or otherwise, any land or real estate or easement therein necessary for the sinking and maintenance of wells, water purification and filtration plants, forming basins, reservoirs and outlets; for erection of buildings for pumping works and sewage treatment and for laying pipes and maintaining same, and for laying and maintaining conduits for carrying and collecting, discharging and disposing of sewage matter and rain water and all other objects necessary, convenient and proper for the purposes of this Act. All of such property, wherever the same shall be located, shall be exempt from taxation.

Nothing herein contained shall be construed as authorizing said district to take by right of eminent domain any of the property or facilities of any other public service corporation or district used or acquired for future use by the owner thereof in the performance of a public duty, unless expressly authorized thereto herein or by subsequent act of the Legislature.

**Sec. 3. Procedure in exercising right of eminent domain; assessment of damages; appeal procedure.** Said district shall be liable for all damage that shall be sustained by any person or corporation in his or its property by the taking of any land or interest therein whatsoever, for water, or by flowage, or by excavating through any land for the purpose of laying pipes, aqueducts

or mains, building dams or constructing reservoirs, standpipes or other structures and installations pursuant to its powers and purposes as set forth in this Act.

In exercising any right of eminent domain conferred upon it by law, from time to time, in the taking of lands or interests therein, or water rights, the said district shall file in the office of the county commissioners of Piscataquis County and record in the registry of deeds in said county plans of the location of all such lands or interests therein or water rights, with an appropriate description and the names of the owners thereof, if known. Notice of the filing shall be sent by mail to the owners at the address appearing on the tax records of the municipality in which the land is located. When for any reason the district fails to acquire the property authorized to be taken, and which is described in such location, or the location recorded is defective or uncertain, it may, at any time, correct and perfect such location and file a new description thereof, and in such case the district shall be liable in damages only for the property for which the owner had not previously been paid, to be assessed as of the time of the original taking, and the district shall not be liable for any acts which would have been justified, if the original taking had been lawful. No entry shall be made on any private lands, except to make surveys, until the expiration of 10 days from such filing, whereupon possession may be had of all said lands or interests therein or water rights so taken, but title shall not vest in said district until payment therefor.

If any person or corporation sustaining damages by any taking as aforesaid and said district shall not mutually agree upon the sum to be paid therefor, either party, upon petition to the county commissioners of Piscataquis County, may have such damages assessed by them; and the procedure and all subsequent proceedings and right of appeal thereon shall be had under the same restrictions, conditions and limitations as are or may be by law prescribed in the case of damages by the laying out of town ways.

**Sec. 4. May use certain waters as water supply.** The said district for the purposes of its incorporation is hereby authorized to take, hold, divert, use and distribute water from any river, stream or brook lying in whole or in part in the Town of Monson, from any lake or pond lying in whole in the Town of Monson and from any underground brook, spring, well, vein or underground sources of water in said town; provided, however, nothing herein contained shall authorize such use of water from any source of supply now used by any quasi-municipal corporation or water company for the purpose of furnishing water to the public, without the consent of such quasi-municipal corporation or other corporation.

**Sec. 5. Authorized to lay water mains, pipes and conduits through public ways and across private lands.** Said district is hereby authorized to lay in and through the streets, roads, ways and highways of the Town of Monson and other towns, if any, served by it, and across private lands therein, and to maintain, repair and replace all such pipes, mains, conduits, aqueducts, buildings, installations and fixtures as may be necessary and convenient for its water system and corporate purposes.

**Sec. 6. Right to lay sewage pipes and other particular rights enumerated.** Said district may lay pipes and construct conduits in manner aforesaid in

and through said district and convey through the same sewage, surface water and the natural flowage of existing water courses, and secure and maintain basins, reservoirs and outlets; may build and maintain pumping stations and buildings convenient for same; may construct and maintain treatment plants, flush tanks, manholes, storm water inlets and such usual appliances for collecting, holding, distributing and disposing of sewage and storm water; may supply water for such flush tanks and for flushing said system of sewers and for any other purposes for which said district may deem the same desirable, and install all pipes, structures, installations and appliances necessary to this end.

**Sec. 7. Other particular rights enumerated; crossing other public utilities.** Said district may establish through and by its trustees regulations for the use of sewers and water lines and fix and collect the prices to be paid for entering same and also the service charges for the use thereof; and may enter into contract with persons, corporations or municipalities outside the boundaries of the district to care for sewage or drainage or to furnish water through the district's systems. The trustees of said district may purchase all maps, plans and files relating to water lines, sewers and drainage which are in the possession of the Town of Monson. In case of any crossing of any public utility, unless consent is given by the company owning or operating such public utility as to place, manner and conditions of the crossing within 30 days after such consent is requested by such district, the Public Utilities Commission shall determine the place, manner and conditions of such crossing; and all work on the property of such public utility shall be done under the supervision and to the satisfaction of such public utility, but at the expense of the district.

**Sec. 8. Abutting owners have right to enter.** Said district, at all times after it shall commence receiving pay for the facilities supplied by it, shall be bound to permit the owners of all premises abutting upon its lines of pipes and conduits to enter the same with all proper sewage, upon conformity to the rules and regulations of said district and payment of the prices, assessments and rental established therefor.

**Sec. 9. Excavations and repair work, property to be left in good condition; liability for damages; closing of streets.** Whenever said district shall enter, dig up or excavate any street, way or highway, or other land within said district, for the purpose of laying pipes or conduits, constructing manholes or catch basins, or for the purpose of taking up, repairing, extending or maintaining any sewer, drain, manhole, catch basin or other structure, or for any other purpose, said street, highway, way or other land shall, at the completion of the work of said district, be returned to the condition said street, way, highway or other land was in prior to the work of said district or to a condition equally as good, and said district shall be liable to any person, firm or corporation injured or damaged by any fault of said district or its servants or agents, or by reason of any defect in any way, street or highway occasioned by the construction of any of the works of said district, either during such construction or after the same has been completed, or while the same shall be undergoing repairs or extensions are being made; and said dis-

trict shall be liable to the Town of Monson, public utilities and private persons for any and all costs, damages and expenses which said town may suffer, or be put to, by reason of the default, neglect, negligence or carelessness of said district or any of its officers, servants or agents, in creating, maintaining, repairing or extending said water or sewerage systems.

Where the character of the work of said district is such as to endanger travel on any street or way, said Town of Monson shall direct the temporary closing of such streets or ways, and of intersecting streets or ways, upon request of said district, and such streets or ways shall remain closed to public traffic until the work of said district is completed and the surfaces of said streets or ways are restored to a proper condition, as hereinbefore set forth.

**Sec. 10. Extensions.** The district shall have the right to determine whether extensions to its systems shall be made subject to the authority of local and state health officials and the Water Improvement Commission. It shall have the power to make assessments for the cost of such extensions and charges for the use thereof.

**Sec. 11. Assessment against lot benefited.** When the district has constructed and completed a public drain or common sewer, the trustees shall determine what lots or parcels of land are benefited by such drain or sewer and shall estimate and assess upon such lots and parcels of land, and against the owner thereof or person in possession, whether said person to whom the assessment is so made shall be the owner, tenant, lessee or agent, and whether the same is occupied or not, such sum not exceeding such benefit as they may deem just and equitable towards defraying the expenses of constructing and completing such drain or sewer, together with such sewage disposal units and appurtenances as may be necessary, the whole of such assessments not to exceed  $\frac{1}{2}$  of the cost of such drain or sewer and sewage disposal units. The trustees shall file with the clerk of the district the location of such drain or sewer and sewage disposal unit, with a profile description of the same, and a statement of the amount assessed upon each lot or parcel of land so assessed, a description of each lot or parcel and the name of the owner of such lots or parcels of land or person against whom said assessment shall be made, and the clerk of such district shall record the same in a book kept for that purpose, and within 10 days after filing such notice, each person so assessed shall be notified of such assessment by having an authentic copy of said assessment, with an order of notice signed by the clerk of said district, stating the time and place for a hearing upon the subject matter of said assessments, given to each person so assessed or left at his usual place of abode in said district. If he has no place of abode in said district, then such notice shall be given or left at the abode of his tenant or lessee if he has one in said district. If he has no such tenant or lessee in said district, then such notice may be given by posting the same notice in some conspicuous place in the vicinity of the lot or parcel of land so assessed, at least 30 days before said hearing, or such notice may be given by publishing the same once a week for 3 successive weeks in any newspaper published in Piscataquis County, the first publication to be at least 30 days before said hearing. A return made upon a copy of such notice by any constable in said town or the production of the paper containing such notice shall be conclusive evidence that said notice has been given. Upon such

hearing, the trustees shall have power to revise, increase or diminish any of such assessments, and all revisions, increases or diminutions shall be in writing and recorded by such clerk.

**Sec. 12. Right of appeal.** Any person, aggrieved by the decision of said trustees as it relates to the assessment for sewer construction, shall have the same rights of appeal as are provided in the case of laying out of town ways under the Revised Statutes of 1964, Title 23, chapter 303, as the same may be amended from time to time.

**Sec. 13. Collection of unpaid rates.** There shall be a lien on real estate served or benefited by the sewers or sewage treatment facilities of the district to secure the payment of assessments established pursuant to authority of section 11 or any other lawful authority and also to payments due to the district for water and sewer rates, tolls, rents and entrance charges established under the provisions of section 24 hereof. Said lien shall take precedence over all other claims on such real estate, excepting only claims for taxes.

The treasurer of the district shall have full and complete authority and power to collect said assessments, rates, tolls, rents, other charges and payments due. The treasurer may, after demand for payment, sue in a civil action for any assessment, rate, toll, rent, or other charge or payment due remaining unpaid, in any court of competent jurisdiction. Such action shall be brought in the name of the district. In addition to other methods established by law for the collection of said assessments, rates, tolls, rents, other charges and payments due, and without waiver of the right to sue for the same as aforesaid, the lien hereby created may be enforced in the following manner. The treasurer, when an assessment, rate, toll, rent, or other charge or payment due has been committed to him for collection, may, after the expiration of 3 months and within one year after date when the same became due and payable, in the case of a person resident in the district, give, or cause to be given to such person, or leave or cause to be left at his last and usual place of abode, a notice in writing signed by said treasurer stating the amount of such assessment, rate, toll, rent or other charge, describing the real estate upon which the lien is claimed, and stating that a lien is claimed on said real estate to secure the payment of said assessment, rate, toll, rent, other charge or payment due and demanding within 30 days after the service of such notice, payment as aforesaid. In the case of a non-resident, the aforesaid notice shall be given by registered or certified mail addressed to his last known address or by publication in a newspaper of general circulation within the district once a week for 2 successive weeks, and shall demand payment within 30 days after the mailing thereof or the first publication of notice thereof as aforesaid. After the expiration of said period of 30 days and within one year thereafter, said treasurer shall record in the registry of deeds of the county in which the property of such person is located a certificate signed by him setting forth the amount of such assessment, rate, toll, rent, other charge or payment due, describing the real estate on which the lien is claimed and stating that a lien is claimed on the real estate to secure payment of said assessment, rate, toll, rent, other charge or payment due and that a notice and demand for payment of the same has been given

or made in accordance with this section and stating further that such assessment, rate, toll, rent, other charge or payment due remains unpaid. At the time of the recording of any such certificate in the registry of deeds as heretofore provided, said treasurer shall file in the office of the district a true copy of such certificate and shall mail a true copy thereof by registered or certified mail to each record holder of any mortgage on said real estate, addressed to such record holder at his last and usual place of abode. The fee to be charged by the district to the ratepayer for such notice and filing shall not exceed \$1.50 and the fee to be charged to the district by the register of deeds for filing and recording shall not exceed \$1.

The filing of the aforesaid certificate in the registry of deeds as aforesaid shall be deemed to create, and shall create, a mortgage on the real estate therein described to the district which shall have priority over all other mortgages, liens, attachments and encumbrances of any nature, except liens, attachments and claims for taxes, and shall give to the district all the rights usually possessed by mortgagees, except that the district, as mortgagee, shall not have any right to possession of said real estate until the right of redemption hereinafter provided for shall have expired. If the mortgage, together with interest and costs, shall not have been paid within 18 months after the date of filing of said certificate in the registry of deeds as herein provided, the mortgage shall be deemed to have been foreclosed and the right of redemption to have expired. The filing of the certificate in the registry of deeds shall be sufficient notice of the existence of the mortgage hereby provided for. In the event that said assessment, rate, toll, rent, other charge or payment due, with interest and costs as aforesaid, shall be paid within the period of redemption herein provided for, the treasurer of the district shall discharge the mortgage in the manner as provided for discharge of real estate mortgages.

**Sec. 14. Grant of authority and incidental powers to the district.** Said district is hereby expressly authorized to maintain and operate the water and sewer systems herein referred to for any and all of the purposes of said district as set forth in this charter or by the general laws of the State of Maine. All incidental powers, rights and privileges necessary to the accomplishment of the main objects herein set forth are granted to the corporation hereby created.

**Sec. 15. Existing statutes not affected; rights conferred subject to provisions of law.** Nothing herein contained is intended to repeal or shall be construed as repealing the whole or any part of any existing statute, and all the rights and duties herein mentioned shall be exercised and performed in accordance with all the applicable provisions of the Revised Statutes of 1964, Title 35, and all titles amendatory thereof and additional thereto.

**Sec. 16. District and town authorized to make contracts.** Said district, through its trustees, is authorized to contract with persons and corporations, including the Town of Monson, for the supply of water and for the furnishing of sewerage and drainage facilities; and the said Town of Monson is authorized to contract with it for the supply of water for municipal purposes and for the use of its facilities for the discharge of sewage and for the drain-



age of surface and other waters, such contracts, however, to be subject to the approval of the Public Utilities Commission.

**Sec. 17. Valid Contracts of the town to be assumed by district.** All valid contracts now existing between the Town of Monson and any persons or corporations for supplying water in the Town of Monson shall be assumed and carried out by said district. Said district shall assume all unpaid obligations of the Town of Monson incurred for the construction, operation and extension of the existing water works facilities and the sewer and drainage facilities transferred by this Act from said Town of Monson to said district.

**Sec. 18. Sanitary provisions and penalty for violation.** Any person who violates the provisions of this section or sections 19 and 20, or who shall place or discharge any offensive or injurious matter or material on or into the conduits, catch basins or receptacles of said district contrary to its regulations, or shall willfully injure any conduit, pipe, reservoir, flush tank, catch basin, inlet, manhole, outlet, engine, pump or other property held, owned or used by said district for the purposes of this Act, shall be liable to pay twice the amount of the damages to said district, to be recovered in any proper action; and such person, on conviction of either of said acts of willful injury aforesaid, shall be punished by a fine not exceeding \$200, or by imprisonment not exceeding 6 months, or by both.

**Sec. 19. Free access to premises.** The officers or agents of the district shall have free access to all premises served by its sewers, at all reasonable hours, to permit the inspection of plumbing and sewerage fixtures, to ascertain the amount of sewage discharged and the manner of discharge and to enforce the provisions of this charter and the rules and regulations which may be prescribed hereunder. Failing to achieve such access, the district shall have the right to discontinue service.

**Sec. 20. Buildings to connect with sewer if available.** Every building in the district intended for human habitation or occupancy on premises abutting on a street in which there is a public sewer or any such building within 100 feet of a public sewer shall have a house drainage system which shall be caused to be connected with the sewer by the owner or agent of the premises in the most direct manner possible, and, if feasible, with a separate connection for each house or building, except that existing buildings which are already served by a satisfactory private sewage disposal system which meets and continues to meet the requirements of section 122 (b) of the State Plumbing Code shall not be required to connect with the public sewer.

**Sec. 21. Board of trustees.** All of the affairs of said district shall be managed by a board consisting of 5 trustees, residents therein, who shall be chosen by the board of selectmen as hereinafter provided.

As soon as may be after the acceptance of this Act as hereinafter provided, the selectmen of the Town of Monson shall appoint a board of trustees. The terms of the members of said board shall be as follows: One to serve until the first annual town meeting of the Town of Monson following the acceptance of this Act; one to serve until the 2nd annual town meeting of said

town following such acceptance; one to serve until the 3rd annual town meeting of said town following such acceptance; one to serve until the 4th annual town meeting of said town following such acceptance and one to serve until the 5th annual town meeting of said town following such acceptance. At each annual town meeting of said town, beginning with the first annual town meeting following the acceptance of this Act, one trustee shall be selected by the voters of the town to serve until the annual town meeting occurring 5 years thereafter, and until his successor is selected and qualifies.

Whenever any trustee ceases to be a resident of said district, he vacates the office of trustee. All trustees, if residents of said district, shall be eligible for reelection. Vacancies in the office of trustee shall be filled by the selectmen until the next annual town meeting of the Town of Monson, and at such annual town meeting the unexpired portion of said term, if any, shall be filled as hereinbefore directed.

As soon as convenient after their appointment, the first board of trustees shall hold a meeting at some convenient place in the district, to be called by any member thereof in writing, designating the time and place and delivered in hand to the other members, not less than 2 full days before the meeting; provided that they may meet by agreement without such notice. They shall organize by electing from their own number a chairman and a clerk and, not necessarily from their own number, a treasurer. They shall adopt a corporate seal and may adopt bylaws and perform any other acts within the powers delegated to them by law. Following each annual town meeting of said Town of Monson, the trustees shall elect from their own number a chairman and a clerk, and, not necessarily from their own number, a treasurer to serve until the next annual town meeting of said Town of Monson and until their respective successors are elected and qualified.

The trustees from time to time may choose and employ and fix the compensation of any other necessary officers and agents, who shall serve at their pleasure. The treasurer shall furnish bond in such sum and with such sureties as the trustees shall approve, the cost thereof to be paid by the district. Members of the board of trustees shall be eligible to any office under the board. The trustees, as such, shall be compensated by a sum not exceeding \$200 per year, which sum shall be set by the trustees.

The trustees shall be sworn to the faithful performance of their duties as such, which shall include the duties of any member who shall serve as clerk or clerk pro tem. The trustees shall make and publish an annual report, including a report of the treasurer, and such report may be included in, and published as part of, the annual town report.

It is further provided that no person, while he is trustee of said district, shall be interested, either directly or indirectly, in any contract or agreement for the construction of any sewer, drain, pipe line or other structure in said district, entered into by said district. This provision, however, shall not prevent said district from entering upon or taking land or any easement therein of any officer of said district, while he is such an officer, and awarding damages therefor if, in the opinion of said trustees, such entering or taking is necessary for the purpose of said district.

**Sec. 22. Authority to borrow money.** For accomplishing the purposes of this Act and for such other expenses as may be necessary for the carrying out of said purposes, including but without limiting the generality of the foregoing, grant the expenses incurred in the creation of the district, in reimbursing the town for outstanding water and sewer liabilities assumed by the district, in securing sources of supply, taking water and land, paying damages, laying pipes, constructing, maintaining and operating water sewerage and drainage systems, and making extensions, additions and improvements to the same, including water filtration and purification plants and sewage disposal plants, said district, through its trustees, without district vote, is authorized to borrow money temporarily, and to issue therefor the interest-bearing negotiable notes of the district, which notes must be repaid within one year; and for the purpose of refunding the indebtedness so created or paying any necessary expenses and liabilities incurred under the provisions of this Act, to issue its notes and bonds in one series or in separate series from time to time and to make subsequent renewals of the same in whole or in part to an amount not exceeding the sum of \$750,000 outstanding at any one time. No bonds and no notes, other than for temporary loans, shall be issued by the district unless authorized thereto by vote of the voters of said district at a meeting thereof called therefor by the trustees. Such meeting or meetings shall be called by the trustees in the same manner as is provided for the calling of elections by the municipal officers in the provisions for the referendum hereinafter contained in this charter. Said notes and bonds shall be a legal obligation of said district, which is hereby declared to be a quasi-municipal corporation within the meaning of the Revised Statutes of 1964, Title 30, section 5053, and all the provisions of said section are applicable thereto. They shall be a legal investment for savings banks in the State of Maine and shall be exempt from all present taxes. Each bond or note shall have inscribed on its face the words "Monson Utilities District Water Bond" or "Monson Utilities District Water Note" or "Monson Utilities District Sewer Bond" or "Monson Utilities District Sewer Note", as the case may be, and as they be issued for money obtained to be used for water or sewerage purposes respectively. If said bonds or notes be issued from time to time, each authorized issue shall constitute a separate loan. Each loan may be payable in annual amounts of principal, beginning not more than one year from its date and made to run for such period as said trustees shall determine.

All bonds or notes issued by said district shall bear the district seal and shall be signed by the treasurer and countersigned by the chairman of the board of trustees of said district, and if coupon bonds be issued, each coupon shall bear the facsimile signature of the treasurer.

All bonds issued by said district may be issued with or without provisions for calling the same for payment before maturity, and, in case of such call provisions, the premium, if there be one, shall not exceed 5% of the principal upon such call.

**Sec. 23. Sinking fund provided for; issue of refunding bonds authorized; distribution of surplus.** In case any of said bonds or notes are made to run for a period of years, a sinking fund shall be established by the trustees of said district for the purpose of redeeming said bonds or notes when they

become due and not less than 1% of the aggregate principal of the outstanding sinking fund bonds or notes issued on account of or in behalf of said district, as aforesaid, shall be turned into said sinking fund each year to provide for the final extinguishment of said district funded debt.

The money set aside for the sinking fund shall be devoted to the retirement of said notes and bonds, and shall be used for no other purposes, and shall be invested in such securities as savings banks in the State of Maine are allowed to hold.

Whenever any bonds of said district become due, or can be purchased by said trustees on favorable terms, said trustees shall, if sufficient funds are accumulated in said sinking fund, redeem or purchase said bonds, and cancel them. In no case shall bonds so cancelled or redeemed be reissued.

In case the amount in said sinking fund shall not be sufficient to pay the total amount of the bonds falling due at any one time, authority to issue new bonds sufficient to redeem so many of said bonds as cannot be redeemed from the sinking fund is hereby granted to said trustees.

Separate sinking funds as above set forth shall be established with respect to water bonds and sewer bonds.

Distribution of surplus shall be at the discretion of the trustees.

**Sec. 24. Rates; application of revenue; sinking fund.** All individuals, firms and corporations, whether private, public or municipal, shall pay to the treasurer of said district the rates and assessments established by said trustees to pay for the cost of the works and for the service used by them; and said rates shall not be discriminatory within the territory supplied by the district, but shall be subject to the approval of the Public Utilities Commission. Said rates shall be so established as to provide revenue for the following purposes:

1. To pay the current expenses for operating and maintaining the water and sewerage systems respectively.
2. To provide the payment of the interest on the indebtedness created or assumed by the district with respect to each of said systems.
3. With respect to each of said systems, to provide each year a sum equal to not less than 1% of the entire indebtedness created or assumed by the district, which sum shall be turned into the sinking fund to provide for the extinguishment of said indebtedness or used directly therefor. Provided, however, that the trustees may, in their discretion, and in lieu of the establishment of a sinking fund, issue the bonds of the district so that not less than 1% of the amount of the bonds so issued shall mature and be retired each year, in which case the appropriate rate may be established to pay for the same.
4. If any surplus remains at the end of the year, it may be turned into the sinking fund.

5. The trustees, on written application stating the grounds therefor, may make such reasonable abatements as they think proper of any rates or assessments.

**Sec. 25. Governmental grants and loans.** The district is authorized to enter into agreements with federal, state and local governments or any agency thereof, or any corporation, commission or board authorized by federal, state or local governments to grant or loan money to or otherwise assist in the financing of projects for accomplishing the purposes of this Act and to accept grants and borrow money from any such government, agency, corporation, commission or board as may be necessary or desirable for the purposes of this Act.

**Sec. 26. Referendum; effective date; certificate to Secretary of State.** Unless accepted and approved by a majority vote of the legal voters of the Town of Monson at any regular meeting, or at any special meetings called and held for the purpose not later than December 31, 1973, this Act shall forthwith become inoperative. Such special meetings shall be called, advertised and conducted according to law relating to municipal elections; provided, however, that the registrar of voters shall not be required to prepare for posting nor the town clerk to post a new list of voters. The registrar of voters shall be in session the 3 secular days next preceding such meeting. The subject matter of this Act shall be reduced to the following question: "Shall the Act Creating the Monson Utilities District, passed by the 106th Legislature, be accepted?" The voters shall indicate in the usual manner their opinion of the same.

This Act shall take effect for all the purposes thereof immediately upon its acceptance by a majority of the legal voters voting at said meeting; provided that the total number of votes cast for and against the acceptance of this Act at said meeting equals or exceeds 10% of the total vote for all candidates for Governor in said town at the next previous gubernatorial election, but failure of approval by the necessary percentage of voters at any such meeting shall not prevent a subsequent meeting or meetings to be held for said purpose within the time limitation of this section.

The result of the vote in said Monson Utilities District shall be declared by the municipal officers of the Town of Monson and due certificate thereof shall be filed by the clerk of said town with the Secretary of State.

#### STATEMENT OF FACT

The purpose of this bill is reflected in the title.